

LA Fashion District Business Improvement District

2008 Activity Reports

First Quarter

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2008 OPERATING BUDGET SUMMARY

The first quarter improvement and activity financial results are outlined in *Attachment 1*. The total improvement plan budget for 2008 is projected at \$4.1million.

FINANCE

2007 Annual Audit & Financial Statement Review

Stanislawski & Harrison Auditors conducted the annual audit and reported that the financial statements presented fairly in all material respects the financial position of the Downtown Los Angeles Property Owners Association as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended are in conformity with generally accepted accounting principles in the United States.

The Board of Directors unanimously approved the 2007 Audit and Financial Statements at their meeting on February 28, 2008. A copy of the audit was forwarded to the Office of the City Clerk on March 7, 2008.

A summary financial statement was communicated to property owners in the 2007 Annual Report and at the Annual Property Owner meeting on March 31, 2008.

Proposed 2008 Second Quarter Finance Activities

- Continue BID renewal efforts.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2008 Annual Budget

\$2,802,100

68% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

First Quarter Contact Summary

A comparison of 2007 – 2008 statistical records shows a 57% increase in overall **Contacts** for the first quarter. Contacts are the number of times that Safe Team Officers responded to an event or incident.

In an overall comparison of 2007 – 2008 first quarter records are steady in the **Disorderly Conduct** category. The Disorderly Conduct category includes Unlawful Lodging, Drinking in Public, Trespassing, Panhandling, and Drug Activity. However, this may be attributed to decreases in some incident categories while other categories saw increases.

Drug Activity increased 52% over last year and **Panhandling** activity increased 53%. **Drinking in Public, Trespassing and Unlawful Lodging** increased by 1%.

As a continued precaution against criminal activity, the BID increased **Location Checks for Crime Prevention** with over **12,400** individual location checks recorded during the first quarter of 2008. The Clean & Safe Team also increased the number of Contacts with Merchants over 400% compared to 2007 1st quarter records. This proactive approach has paid off. It is significant to note that records show a 90% *drop* in **Robbery**, a 95% decrease in **Theft**, and a 68% decrease in **Vandalism** activity in the district over 2007 first quarter totals.

In the **Illegal Vending** category, activity increased 57% during the quarter over 2007 first quarter records. This significant increase shows the need to continue the efforts to control illegally sold goods and food from roving vendors who avoid city codes and fees that legal business owners contribute to the economy.

Town Hall Meeting Convened to Discuss Counterfeit Merchandise Sweep That Shut Santee Alley During Holiday Shopping Season

On Thursday, November 29, 2007, 130 LAPD and County Sheriff officers conducted a major counterfeit merchandise sweep in the Santee Alley and closed a portion of 11th Street to traffic. Over 50,000 items were seized (more than half CD's & DVD's) and approximately 25 merchants were arrested and booked on site. Subsequent to the raid on November 29, 2007 Council District 9 set up a walk through of the Alley for city departments and media representatives to view the results of the raid.

At their meeting on January 17, 2008 the Board of Directors, property owners, representatives from Council District 9, the City Attorney's Office, and the Los Angeles Police Department convened a special discussion about Counterfeit Product Sales in the LA Fashion District.

Representatives from LAPD reported that 95% of the sub-letters are the focus of the problems with sales of counterfeit goods in the district. The property owners were asked to monitor their tenants daily in order to enforce the prohibition on “supplemental uses” in their contracts and leases.

Property owners said they don't always know if there are subtenants. LAPD reported that they will continue to arrest violators. Subsequent meetings will be convened to continue discussions.

Proposed 2008 First Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

City Cuts Back on Clean Up Supplies

On January 29, 2008 we received a memo from Operation Clean Sweep (OCS) announcing cutbacks on graffiti removal supplies, trash bags, tools, and equipment to BIDS. They will not be able to provide trash bags to BIDS for the months of March to June 2008. Assuming that the OCS budget remains the same for fiscal year 2008-09, OCS will be able to resume providing bags to BIDS in July, 2008.

Several days later OCS announced that supplies would be restored. However, as the City continues to face a serious budgetary shortfall for 2008/2009 we are not optimistic OCS's funding will continue to be restored.

BID to Launch Recycling Program

The BID continues to work toward reducing the amount of trash being taken to the landfill with a comprehensive recycling effort. At the meeting on February 28, 2008 the Board of Directors unanimously approved endorsement of a free district-wide recycling program proposed by Environmental Technologies LLC. The six month program will be monitored by evaluation of monthly dump fees.

The program will start with a survey of tenant needs to determine the types of recyclable materials in each store and collection schedules.

Graffiti Removal

2008 first quarter graffiti removal records show an 11% decrease over 2007 first quarter records.

<u>Graffiti Removal Comparison</u>	<u>2007</u>	<u>2008</u>
January	661	665
February	620	574
March	540	389
Totals	1821	1628

Increasing the number of overnight **Location Checks** may be acting as a deterrent to graffiti tagging in the district.

Trash Tonnage

First quarter trash tonnage taken to the landfills show a 2% decrease over 2007 records.

<u>Trash Tonnage Comparison</u>	<u>2007</u>	<u>2008</u>
January	196	195
February	186	191
March	206	191
Totals	588	577

Proposed 2008 First Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget \$817,700 20% of the Overall Budget

This portion of the annual BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, South Santee Alley Overlay, and a modest BID Renewal Reserve.

ADMINISTRATION

Governance

Board Officers Elected

According to the Bylaws, officers must be elected at the January meeting.

- John van den Akker was re-nominated Chair
- Mark Chatoff was re-nominated Vice Chair
- Barry Gold was nominated Treasurer and the motion was approved by unanimous vote.
- Laurie Sale was re-nominated Secretary and the motion was approved by unanimous vote.

At the February Board Meeting, committee appointments were ratified for 2008 in Finance, Operations, Image, Personnel and Legislative Committees. According to the Fashion District Bylaws, each Board Member must serve on at least one committee and non-Board members are encouraged to participate.

Board Member Resignation and New Members Appointed

Laura Aflalo resigned from the Board of Directors on March 2, 2008.

Jaime Lee, general manager of the California Market Center, and Ann Simons, L & R Investments, were appointed to fill two of the three vacant Board seats. Ms. Lee and Ms. Simons will serve on the Board until December 31, 2008. Lee and Simons are both eligible to run for a three year term in the 2008 general election.

BID Renewal

On **February 8, 2008** BID renewal petition packages were mailed to all property owners within the current boundaries and new expansion areas. A BID Renewal brochure is included in this report as *Attachment 2*.

At the Board of Directors meeting on **February 28, 2008**, Executive Director Kent Smith reported that petition returns were disconcertingly low. Petitions representing only 14% of the assessment had been returned. The goal is to reach 50% + \$1 of the assessments by the deadline of March 31, 2008. At this rate of return it is clear that we will not reach the goal and the BID will not be renewed.

Several owners reported that an opposition group is urging property owners not to return their petitions. A copy of the letter is included as *Attachment 3*. The names of 32 property owners, relatives, former owners, and master lease holders were included on the letter. Two of the owners listed on the letter had already turned in their petitions approving the renewal.

On **March 2, 2008** Laura Aflalo resigned from the Board of Directors.

On **March 6, 2008** a special Board meeting was held to discuss BID Renewal. Kent Smith contacted several of the opposing owners and also Steve Barnhill, an attorney, who is listed on the letter as the contact person. To date the owners have not responded to emails or phone calls.

The opposition letter is having a negative impact on the BID renewal petition process. At the Board meeting alternative plans were discussed. Members agreed to continue contacting owners for petition signatures. They also agreed to retain the public affairs firm hired in 2003 to facilitate the 2008 petition drive.

At their meeting on **March 15, 2008**, the Board agreed to continue to work toward arranging meetings with opposing property owners to discuss their concerns. The Board also agreed to distribute a letter to property owners countering the claims of the opposition group and encouraging owners to vote to continue the successful LA Fashion District BID. That letter is included here as *Attachment 4*.

Subsequent to the March 15th Board meeting several individual and group meetings were arranged with Board Members, members of the opposing group, Kent Smith and at one meeting attorneys were representing both sides.

On **March 17, 2008** Kent Smith met with one of the opposing group, Mehdi Soroudi, discuss the concerns of the property owners who signed the letter. He was joined by Behrooz Haverim. Soroudi cautioned that he could only speak for himself and not for the rest of the property owners. His first priority is for promotion of the district. He believes that more than one third of the BID's budget should be spent on promotion even if that means the physical appearance of the District suffers.

Soroudi feels that there is a fundamental difference between the promotion goals north of the area roughly bound by 9th Street, and south of 9th Street. He specifically is concerned that the promotion efforts of the CMC-type showrooms and lofts are very different than those of the Santee Alley Retail Area and the showrooms in and around San Pedro Wholesale Mart. He does not believe that the Board's Image and Communication Committee reflects the priorities of the area south of 9th Street.

His other serious concern is about his tenants' inability to "narrow" the public right-of-way particularly in the alleys south of 12th Street. He blames the crackdown by LAPD limiting the outdoor display of merchandise as the reason for destroying business in and around Santee Alley. He also shares the concern with other property owners that the LAPD raid in November, 2007 created a "bad business climate" for the tenants. He believes the BID should have prevented these crackdowns on the merchants.

His only reason to cut the budget would be to reinvest the savings into promotion efforts. He understands that corner properties are being unfairly targeted for increases in assessments.

He believes most of the property owners who signed the letter want to create their own BID, completely separate from the Fashion District BID. His solution to these problems, which he emphasizes he has not shared with the other property owners that signed the letter, is as follows:

- A. The BID collects 100% of the assessments within the proposed 2009 boundaries (he does not have a problem with the expansion of the district. Behrooz is concerned about competition between west and east of San Pedro property owners and has more concerns about the expansion).
- B. Divide the District into two sub-areas, roughly bounded by 9th Street
- C. Allocate the BID funds proportionately to each area. Overhead costs will be shared by both areas.
- D. The rest of the funds (Clean, Safe, Image and Communications, and Special Projects) would be spent according to the priorities of each Board.

As there is a lack of trust between the property owners who signed the letter and the Board, he said that this new structure should be formalized through a written agreement that is binding on all parties. Soroudi again recommended that we should meet with each of the property owners individually to try to accommodate their concerns before any plan is adopted by the Board. He welcomed an alternative solution from the Board that would achieve the same objectives.

On **March 18, 2008** the BID learned that the attorney for the opposition group, Steven M. Barnhill, sent a letter to Councilwoman Jan Perry, District 9, outlining their concerns. A copy of the letter is included here as *Attachment 5*.

On **March 20, 2008** the BID mailed a postcard to all property owners reminding them to vote yes for the LA Fashion District BID renewal. The postcard is included as *Attachment 6*.

On **March 20, 2008** the Board of Directors met to discuss progress with meetings and petition procurement. They agreed to (1) Allocate remaining 2008 Image & Communications budget for retail promotion; (2) Review and address assessment increases; (3) Cut the entire 2009 budget by 2.5%; (4) Apply \$400,000 from unallocated funds to further reduce 2009 assessments, and reduce Zone 1 assessments by 20%. They also agreed to present this plan to the opposition group with a one week deadline to respond.

At the March 20th meeting there was discussion about eliminating the Image & Communications budget except for enough funds to maintain the website. Members of the Image & Communications Committee agreed they have worked for many years to promote the entire Fashion District and every attempt has been made to direct appropriate funding to both wholesale and retail interests. Some owners suggested suspending Image and Communication expenditures in 2009. Smith said the management plan cannot be changed more than 10% and this plan would represent more and a 10% deviation.

On **March 27, 2007** the Board of Directors met immediately after the Annual Property Owner meeting. Several members of the opposition group attended.

A second opposition letter was mailed to property owners from the group of owners who want to form their own BID. Copies of the letter were handed out at the Board meeting and are included here as *Attachment 7*.

Board Members agree to continue with the plan approved at the Board Meeting on March 20, 2008 until Friday, April 3, 2008 and reconvene on Tuesday, April 8, 2008 at 11:45 a.m. for a plan review.

Annual Property Owners Meeting

On March 27, 2008 the LA Fashion District BID hosted Annual Property Owner meeting that drew an audience of approximately 75 property owners and city officials. Councilmember Jan Perry, District 9; Councilmember Jose Huizar, District 14; and, Commissioner Cynthia Ruiz, President of the Board of Public Works spoke to attendees about the importance of the apparel industry in Los Angeles and their support of the BID renewal.

Every year since 1996 the BID's District Improvement Award Program recognizes property owners' real estate improvements and outstanding contributions by city departments, city officials, vendors, and special projects. This year the BID recognized property improvements in three categories: new construction, adaptive reuse, and renovation. Special plaques were awarded to 15 projects that were completed in 2007. The BID also recognized the five-member Project Team that headed the first streetscape improvement project in the LA Fashion District BID. The BID honored LAPD Commander Andrew Smith with the Outstanding Contribution Award to recognize his work in downtown Los Angeles and support of the LA Fashion District BID. The invitation and annual report are included here as *Attachment 8*.

Advocacy

Industrial Land Use Police (ILUP)

The Planning Department and Community Redevelopment Agency (CRA) released final industrial land use recommendations to guide future industrial land development in Downtown L.A., Hollywood, and West L.A. The two departments scheduled community meetings to answer questions about the recommendations before making final presentations to the Planning Commission and CRA Board on January 10th and January 17th, respectively.

LA Fashion District representatives **Mark Chatoff** and **Kent Smith**, joined numerous stakeholders, **Councilwoman Jan Perry**, and **Jessica Wethington McLean** from **Councilman Jose Huizar's** office at a Downtown community meeting on January 3rd to express concern over the limited stakeholder input and recommendations which preserve the vast majority of industrial land in Downtown L.A. for industrial uses only.

The LA Fashion District is one of the few exceptions to the policy's overall move toward preserving industrial land. Approximately ¾ of the land in the current Fashion District boundaries has been designated a "Transition District" or Industrial Mixed Use District (see Attachment 1) to encourage mixed use development.

Stakeholders at the January 3rd meeting asked that the Departments not move forward with the recommendations until stakeholders have had the opportunity to fully review and comment on the proposal. It is our understanding that the Planning Department and CRA intend to fully implement this proposal without going through City Council as they consider these recommendations to be staff direction (Attachment 2) not land use policy. Councilmember Jose Huizar introduced a motion which refers these recommendations to City Council. (Attachment 3) The Chief Legislative Analyst has advised that City Council does not have the authority to overturn a staff directive.

This study comes more than one year after the Planning Department and CRA released preliminary industrial land use recommendations, which also met strong community opposition.

Many stakeholders believe that preserving Downtown's industrial land for industrial use only, as opposed to instituting a more flexible policy that would create both jobs and housing, will have a negative impact on Downtown. (see Attachments 4 & 5)

Street Closures and Filming During Market Week

On Wednesday, January 2, 2008 we learned that the Board of Public Works would be considering a permit request from Dream Works to close key gateway streets into the Fashion District on Friday, January 11 and Monday, January 14 for filming purposes. These dates coincide with the important Summer Fashion Market Week. Once again, buyers will be looking for alternate routes to showroom destinations. In a public statement to the Board we opposed the permit on that basis and after discussion the Board of Public Works was very supportive of our position and agreed to grant the permit with the condition of starting any street closures after 8:00 p.m.

Board Supports Special Use District

On March 6, 2008, the LA Fashion District Board of Directors agreed to support the creation of a Special Use District (SUD) on the MTA site in the LA Fashion District located at 720 East 16th Street.

The Board understands that this SUD is essential to the creation of a "Wetland" park at 54th and Avalon in South Los Angeles on another MTA site. This residential neighborhood and its nearby schools have a critical shortage of park space and the addition of the 9-acre MTA site will fulfill that need.

The two billboards at 720 East 16th Street will not seriously impact the LA Fashion District. In fact, we understand that the MTA site at 720 East 16th Street will be landscaped as part of the approval of the SUD. The billboards will also provide needed revenue to MTA and will allow the LA Fashion District some advertising time to promote the district, drawing shoppers to the City of Los Angeles, increasing tax revenue, and preserving jobs.

This SUD is a classic "win –win" for the residents of South Los Angeles, MTA, and the LA Fashion District. We commend all parties who spent countless hours negotiating such a complex yet elegant agreement.

LA Marathon Route

On January 21, 2008 we learned that the LA Marathon, scheduled for Sunday March 2, 2008 would again come to the LA Fashion District. Marathon coordinators moved the route one block north to avoid the worst conflict with Santee Alley shoppers. We worked with their volunteers to minimize disruption during the event. We also worked with organizers to help reduce the impact on business with outreach efforts and distributing information flyers to merchants.

Bringing Back Broadway Effort Kick Off

Councilmember Jose Huizar unveiled his much-anticipated "Bringing Back Broadway" plan on January 28, 2008 at the Los Angeles Theatre. Mayor Antonio Villaraigosa, Planning Director Gail Goldberg, CRA CEO Cecilia Estolano, Board Member Steve Needleman, and Kent Smith, Members of the Bringing Back Broadway Trustees, attended the press conference. The Board of Trustees is a group of two dozen local stakeholders assembled to guide the new operation.

The multi-million dollar plan relies on a public-private partnership to transform the historic Broadway corridor into a bustling neighborhood of entertainment venues, retail, and residences. The City has currently set aside \$16.5 million in local, state and federal seed money to update streetscapes and signage and construct a new parking structure to serve visitors. In addition, property owners have pledged \$20 million to update their old theaters and make them functional again for movies and New York-style Broadway shows. A centerpiece of the plan is the revival of the historic streetcar that will connect Broadway to other Downtown developments, such as L.A. Live and the Grand Avenue Project.

Proposed 2008 Second Quarter Administration/Advocacy Activities

- Continue BID Renewal Efforts

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Mayor's Press Conference

Mayor Villaraigosa kicked off the Spring 08 Market Week with a special breakfast and press conference on Friday, March 14 at 9:00 a.m. in the California Market Center in the LA Fashion District.

Mayor Antonio Villaraigosa recognized LA's leadership role in the fashion industry at a special press conference launching LA Fashion Market. He was joined on-stage by several designers who exemplify the different styles LA is known for, ranging from the elegant sophistication of Sue Wong to the hip, trendiness of Christian Audigier, to the eminently wearable, fashion forward designs of Allen B. Schwartz and his A.B.S. brand. Each designer showcased some of their upcoming styles for Fall '08.

The BID worked with the Mayor's office, L A Inc, and members of the Intersection to present this event. It was a great success and well attended by industry principals and media outlets. This type of event has been very successful in other apparel industry hubs including New York City where Mayor Bloomberg presides over market openings several times a year. The invitation is included here as *Attachment 9*.

2008 Shopping Tours and Seminars

To attract retail shoppers the LA Fashion District BID is partnering with Urban Shopping Adventures to create the "Find Your Fit" tour series. The tours focus on niche shopping segments in the Fashion District to feature retail stores and products in shops throughout the district. This year tours include:

- Do-It-Yourself Bridal Planning
- Bridal Wardrobe
- Prom
- Dress for Success
- Mother's Day
- Men's Suiting
- Back to School Wardrobe

Tours will be publicized on the district's website, through print advertisements and press outreach. The Fashion District website features a special ad button that takes website visitors to a new page that details each unique seminar and tour. See *Attachment 10*.

Lines Directory

To cater to the wholesale buyer and retailer the BID website features a Lines Directory that lists all brands available in the California Market Center, The New Mart, Cooper Design Space and The Gerry Building. The list is updated before every Market Week. A page of the Lines Directory is included here as *Attachment 11*.

Blooming Valentine's Day

A special press release attracted media attention and shoppers to the Flower District for Valentine's Day.

The release featured multiple businesses and new projects including the two largest markets in the Flower District, together boasting more than 500,000 sq ft of whole sale and retail flowers, plants and floral accessories are Southern California Flower Growers (755 Wall St.) and Los Angeles Flower Market of the American Florists Exchange (754 Wall St).

Within the last few years, several other large-scale flower businesses have debuted in the Flower District including the L.A. Flower Mall, a 15,000-square-foot market opening onto San Julian and San Pedro streets between Seventh and Eighth streets; Market City Flowers, an 8,000-square-foot market on San Pedro Street between Seventh and Eighth; and Orchid Depot, a retail outlet that opened on San Pedro Street in November.

Over 100 smaller flower retail shops have also opened along San Pedro and San Julian streets. Several orchid wholesalers/retailers have congregated along S. San Pedro between Seventh and Eighth Streets, prompting locals to dub the strip "Orchid Row."

Floral supply stores were featured including Unique Sarah (508 E. 8th Street) which creates upscale, one-of-a-kind creative arrangements utilizing natural accessories such as dry branch, moss, and /or rocks along with orchids, plants or other sculpted elements. And Moskatel's (733 S. San Julian), the

inspiration for the Michael's chain, is ideal for do-it-yourselfers looking for a wide selection of craft supplies and floral accessories.

The opening of two major wholesale markets was announced. California Flower Mall at 875 S. San Pedro St, a \$2 million, 45,000-square-foot market which will have space for 45 sellers. The first phase of construction is complete and tenants will move in over the next two weeks. Construction on phase two, which will expand the market into a connected building one block west at 822 San Julian St., is expected to begin in June, with completion slated for early 2009. Across the street at 812 S. San Pedro St., a new 7,000-square-foot market with space for 10 sellers is expected to open later this year.

Recent Press

The Fashion District and Urban Shopping Adventures were featured in a story in the San Diego Union Tribune on January 6, 2008. *"The Big Hunt: There are Deals to Be Had at the LA Fashion District If You Know Where to Look"*.

Fashion Week events were featured in the California Apparel News on March 14, 2008 in *"Future Fashion L A"*.

"Business Blooms in the Flower District" appeared in the Downtown News on January 28, 2008 and highlighted changes in the Flower District, new construction, and information about the international flower industry. Stories and articles are included in *Attachment 12*.

Personnel Change

Katherine Schmidt resigned her job as BID Marketing Director in January to assume a new position with an architectural firm.

Public relations consultant Kim Sudhalter, President of Urban Legend PR, has undertaken a number of the duties and has made it her company's mission to increase the media's interest in the LA Fashion District.

First Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising

<u>Media Impressions</u>	2007	2008
January	21,190,000	15,917,000
February	27,718,000	15,316,000
March	42,850,000	18,272,000
Totals	91,758,000	49,505,000

<u>Website Hits</u>	2007	2008
January		2,403,088
February		2,429,446
March		3,109,611
Totals	were not available 1 st Qtr 2007	7,942,145

<u>Unique Visitors to Website</u>	2007	2008
January		26,121
February		34,936
March		50,738
Totals	were not available 1 st Qtr 2007	111,795

<u>Free Advertising Dollars Leveraged</u>	2007	2008
January	\$538,000	\$113,368
February	\$588,000	\$144,181
March	\$545,000	\$181,875
Totals	\$1,671,000	\$439,424

Proposed 2008 Second Quarter Image & Communications Activities

- Create plan to update the website's retail store searchable directory.
- Continue BID renewal efforts.

SPECIAL PROJECTS

9th & Main Street Median Project Now Under Construction

On January 9, 2008 construction crews broke ground on the second streetscape median project in the LA Fashion District. Funding for this project comes as a result of work by the Downtown Los Angeles Neighborhood Council's (DLANC) Transportation & Public Works Committee to remove the contra-flow bus lane on Spring Street.

Working in partnership with the Department of Transportation, they procured funding from the Metropolitan Transit Authority to re-stripe the streets from 2nd Street to 9th Street, install parking meters, and create the median project. Colorful flowers, trees, and lighting will add vibrancy to an area in the district that is growing into a restaurant row destination now that Wood Spoon, L'Angelo Café and Tiara Café are open during dinner hours.

Santee Alley Streetscape Design Meetings

On February 14, 2008 we met with Landscape Architects from the Bureau of Street Services to discuss design options for the Alley Streetscape Improvement Project. Alley owners **Laura Aflalo**, **Lance Kluger** and **John van den Akker** attended. Priorities include improved drainage with decorative metal covering, and shade treatments. A copy of the presentation is included here as *Attachment 13*.

No property owners attended the Community Meeting on March 4, 2008 at 11:00 a.m. to finalize the components of the design. All Alley property owners and owners of property surrounding the alleys on Maple, Olympic, Santee and Pico were invited. A survey was subsequently distributed to obtain input from the property owners. See *Attachment 14*.

Construction is slated to start this summer during evening hours to avoid business disruption.

Proposed 2008 Second Quarter Special Projects Activities

- Continue to participate in the Streetscape Improvement Projects at 9th and Main Streets, and the Santee Alley.
- Begin Uniform Parking Signage Project.

Attachments

- 1 First Quarter Financials *(to be forwarded upon completion)*
- 2 BID Renewal Brochure
- 3 Opposition Group Letter #1 to Property Owners
- 4 LA Fashion District Response Letter to Property Owners
- 5 Opposition Group Letter to CD 9
- 6 LA Fashion District Renewal Postcard
- 7 Opposition Group Letter #2 to Property Owners
- 8 LA Fashion District Annual Meeting Invitation
LA Fashion District Annual Report
- 9 Market Week Opening Invitation to Breakfast with Mayor Villaraigosa
- 10 2008 Retail Shopping Tour Website Brochure
- 11 Wholesale Lines Directory on Website
- 12 Recent Publicity Highlights
"Mayor Touts Los Angeles as Good Fit for Fashion" – Downtown News
"The Big Hunt" – The San Diego Union Tribune
"Fine-tuning Santee Alley" – California Apparel News
"Business Blooms in the Flower District" – Downtown News
- 13 Santee Alley Streetscape Design Elements Presentation
- 14 Santee Alley Streetscape Design Survey to Property Owners

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2. Fire at Los Angeles Street and 11th Street
3. Recycling Program Launched in Fashion District
4. Map of Proposed Alley Dedications
5. *"Where Whimsy & Practicality Meet"* LA Times, June 25, 2008

2008 OPERATING BUDGET SUMMARY

The second quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2008 is projected at \$4.1million.

FINANCE

2008-2009 Assessment Tax Data Submission Deadline Missed

BID assessment information for 2008-2009 was not submitted to the City of Los Angeles by the June deadline date.

The LA Fashion District BID renewal process has not yet reached the goal of 50% petition approval and would allow the BID to continue to the Proposition 218 ballot and final Council approval to continue services in 2009. See the Administration and Advocacy section of this report for more information on the BID renewal.

Proposed 2008 Third Quarter Finance Activities

- Continue BID renewal efforts.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2008 Annual Budget

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68% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Second Quarter Contact Summary

A comparison of 2007 – 2008 statistical records shows an 11% increase in overall **Contacts** for the second quarter. Contacts are the number of times that Safe Team Officers responded to an event or incident.

In a comparison of 2007 – 2008 second quarter records we see a 42% decrease in the **Disorderly Conduct** category. The Disorderly Conduct category includes Drinking in Public, Trespassing, Panhandling, and Drug Activity.

Drug Activity decreased 39% over last year. **Panhandling** activity decreased 33%. **Drinking in Public** sees a 3% decrease over last year's record and **Trespassing** decreased by 42%.

As a continued precaution against criminal activity, the BID increased **Location Checks for Crime Prevention** with over 11,096 individual location checks recorded during the second quarter of 2008. This represents a 17% increase over 2007 second quarter records. It is significant to note that records show a 100% *drop* in **Robbery**, and a 74% decrease in **Vandalism** activity in the district over 2007 second quarter totals.

In the **Illegal Vending** category, a comparison of 1st Quarter and 2nd Quarter shows a 19% decrease in activity. A comparison of 2007 and 2008 seconded quarter activity also shows a 19% reduction in **Illegal Vending** in the district. Consistent enforcement in partnership with LAPD, Health Department, and Animal Services has helped control the rampant illegal sale of pets, DVD's and food however this improvement would quickly diminish if enforcement was eliminated, as has happened in previous years.

The **Eponic Data Collection** system has likely contributed to the decrease in nuisance behavior and vandalism in that Safe Team Staff spend more time in the district addressing problems and less time completing reports in the office.

Fire on Los Angeles Street Guts Buildings

On the morning of June 5th a destructive fire caused considerable damage to a building at the corner of Los Angeles and 11th Streets. The local TV and radio stations covered the story extensively and the LA Fashion District BID worked with them to ensure that the stories were correct and positive.

The BID's Safe Team Night Vehicle Patrol (NVP) discovered the fire at 4:40 a.m. while on patrol. The Safe Team Officer who discovered the fire had taken special classes in fire detection. His knowledge of fire behavior alerted him to the danger that was not yet visible to the untrained. The NVP in turn called the LA Fire Department who responded immediately and were able to extinguish the fire in a timely and efficient manner.

Without a Safe Team patrolling the streets 24/7 and observing the smoke, this fire could have been much worse. It probably would not have been observed, given the early hour, until the building was completely engulfed and by then it would have been too late to save the structure.

Property owners received information flyers urging them to renew the BID to ensure that situations like this don't escalate unnecessarily and that experience counts. In addition, it is the ongoing working relationship of our private security officers and the LA Fire (& Police) Departments that makes the control and containment of these types of situations so smooth and seamless. A photo is included here as Attachment 2.

Proposed 2008 Third Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

BID Partners with Recycling Vendors to Launch District-Wide Recycling Program

On April 16, 2008 the Fashion District formally launched the first independent business-focused recycling effort in downtown Los Angeles and likely the first of its kind in the country. Recycling is not new however it takes creative partnerships working together to tackle and deal with massive amounts of recyclables on a daily basis. A comprehensive multi-focus program requires taking a creative approach to educating not only the merchants generating the trash but also the recyclers. The LA Fashion District Business Improvement District (BID) and the City of Los Angeles worked together to find the right recyclers to take on this immense job.

The recycling program took shape over a two and a half-year period. Several different phases were tested that produced various degrees of success. The recycling program was launched by the BID with consulting assistance from the Bureau of Sanitation, City of Los Angeles. Two independent recyclers were recruited who were looking to do business in the LA Fashion District. One recycler picks up aluminum, cardboard, and plastic garment bag film. The second recycler picks up green waste from the stores in the Flower District. Every day more BID merchants are joining the recycling program.

The impact of the recycling program is highly significant. In one month 70 tons of trash was cycled out of the landfill and into recycling centers. To measure the tonnage we tracked and compared landfill invoices from current tonnage and tonnage hauled last year. The recyclers were also asked to start tracking records for future benchmarking.

We achieved our purpose which was to provide a comprehensive program to green the LA Fashion District. We reached our goal which was to find the right recyclers to do the job at no cost to the merchants, property owners or the BID. The program is on-going and expanding daily. Outreach and education are a challenge in a district with over 5,000 small businesses. We continue to look for ways to improve our efforts. A photo of the collection truck that travels throughout the district daily is included here at Attachment 3.

Graffiti Removal

2008 second graffiti removal records show 34% decrease over 2007 second quarter records.

<u>Graffiti Removal Comparison</u>	<u>2007</u>	<u>2008</u>
April	530	419
May	663	371
June	572	382
Totals	1765	1172

Increasing the number of overnight **Location Checks** may be acting as a deterrent to graffiti tagging in the district.

Trash Tonnage

Second quarter trash tonnage totals taken to the landfills show a 7% decrease over 2007 records. This decline is likely attributable to the slow down in the economy combined with recycling activity.

<u>Trash Tonnage Comparison</u>	<u>2007</u>	<u>2008</u>
April	198	187
May	205	179
June	190	185
Totals	593	551

Proposed 2008 Third Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget

\$752,000

20% of the Overall Budget

This portion of the annual BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, South Santee Alley Overlay, and a modest BID Renewal Reserve.

ADMINISTRATION

Governance

BID Renewal

The challenge brought by an opposition group has effectively brought the BID renewal to a standstill. Mediation efforts have been unsuccessful. A chronology of efforts is included here:

On April 4, 2008 the BID sent individualized appeal letters to owners in the expansion area and the current area encouraging their support for the BID renewal.

The Board met on **April 8, 2008** in closed session due to the possibility of pending litigation.

On **April 15, 2008** the Board of Directors met in closed session to discuss the next steps. A letter was received from Laura Aflalo on **April 15, 2008** stating that the April 8, 2008 Board Meeting closed session violated the Brown Act.

On **April 15, 2008** a letter was sent to several members of the opposition group regarding their proposal of a BID within a BID requesting a draft agreement incorporating in more detail the plan for a "BID within a BID" proposal.

On **April 18, 2008** Board Chair John Van den Akker sent a personal letter of appeal to all owners who have not signed their petitions to do so in order to avoid a lapse in BID programs and services should the BID not be renewed.

On **April 22, 2008** the BID received a proposal agreement from the opposition group.

On **April 24, 2008** the opposition group sent a notice to all property owners announcing their intent to form the LA Garment District, to convene a steering committee, and to encourage owners who had already signed their BID renewal petitions to send a fax to the BID and to CD 9 to withdraw their petition.

April 29, 2008 the BID Board of Directors met to discuss next steps.

May 2, 2008 the BID received a letter from Steven M. Barnhill, Barnhill & Vaynerov LLP, who is the representative of the opposition group, stating that five property owners formally requested that their BID renewal petitions be withdrawn from the DPOA's tally of property owners approving the renewal. (Attachment 14)

May 5, 2008 Board Member Ethan Eller sent a personal letter of appeal to all owners who have not signed their petitions.

May 19, 2008 BID Board representatives met with CD 9 staff.

May 21, 2008 Opposition group held its first Steering Committee meeting.

May 22, 2008 BID Board of Directors meeting agenda focused on options to reach 50% petition approval and retain counsel for future consultation. An Ad Hoc BID Renewal Committee was appointed to draft a response to the opposition group's proposal agreement and meet with them to discuss next steps to prevent termination of BID services on December 31, 2008.

June 5, 2008 Subsequent to the building fire at Los Angeles Street and 11th Street that was discovered and reported by the BID Safe Team to the LAFD, the LA Fashion District BID mailed an information flyer to owners to highlight the value of the BID services and that 12 years of experience counts when lives and property are threatened.

June 5, 2008 Representatives from the LA Fashion District BID and the proposed Garment District BID agreed to meet in the offices of Central City Association to discuss BID renewal. Representatives from the Garment District maintained that they are not interested in supporting the renewal of the LA Fashion District BID, and, that they will continue to pursue start up of a new BID within the boundaries of the current LA Fashion District BID. They agreed to review a proposal of options from the LA Fashion District for further mediation.

June 6, 2008 The LA Fashion District presented a proposal to the opposition group that put forward several options for mediating the differences between the two groups.

June 9, 2008 The LA Fashion District administration office received a notice sent to property owners inviting them to a second Garment District BID steering committee meeting on June 12, 2008.

June 12, 2008 The proposed Garment District BID steering committee met and announced to attendees that the mediation proposal from the LA Fashion District BID was not acceptable. According to attendees, the BID proposal was not distributed to attendees.

June 16, 2008 The Los Angeles Downtown News published a front-page story about the competing BIDs in the Fashion District.

June 17, 2008 LA Fashion District BID Board of Directors meeting to discuss LAFDBID mediation proposal response from proposed GDBID. The LAFDBID Board also reviewed actions necessary to initiate new District Management Plan(s)

June 19, 2008 LA Fashion District BID received a formal letter from the opposition group rejecting the BID's proposal and asking for return of petitions from several property owners who had signed FDBID petitions.

June 19, 2008 A formal letter was received from the opposition group demanding that DPOA make all financial records available for inspection. It is important to note that BID financial records are always available for inspection and published regularly in Financial Statements for review by the Finance Committee, Board of Directors and the public. The BID also publishes a financial statement in the Annual Report that is received by all property owners.

The BID financial records are also reviewed and an audit conducted yearly by an outside accounting firm that provides written statement of the BID's financial position. This report is distributed to all Board Members and copies are available upon request to the property owners.

June 25, 2008 The LA Fashion District BID Board of Directors met and agreed to move forward with two new management plans and to hire DSO as campaign manager for a new BID renewal effort.

June 30, 2008 The LA Fashion District BID mailed meeting invitations to all property owners who signed petitions to renew the BID. The meeting will take place on July 9, 2008.

June 30, 2008 The proposed Garment District BID sent a letter to all owners refuting the fact that BID services will end on December 31, 2008 if the LA Fashion District BID is not renewed. Their information flyer also stated that 12 years of experience does count and that they intend to use the same Clean & Safe management staff for the proposed Garment District BID.

ADVOCACY

Community Plan Meeting

On Tuesday, June 24, 2008 representatives from the City of Los Angeles Planning Department hosted a Small Group Meeting for property owners to gain input for the Central City Community Plan – Fashion District focus.

Participants discussed the needs of the community to help the Planning Department prepare the official guide to the future development of the City. The plan will ultimately lay out the distribution of land for the variety of needs in the community such as housing, commercial, industrial and open space. Attendees discussed the need for more amenities at grade, creative office space, and mixed use projects. More workshops are planned.

CRA City Center 2008 Budget – Fashion District Allocations

The city has now settled the lawsuit with the County of Los Angeles (still to be ratified by the Court) over the amount of tax increment (TI) that will flow to the project area. Under the settlement the projected TI for the period 2003 to 2007 is nearly \$4 million. We have worked hard to convince the CRA to allocate more funds to address issues specific to the LA Fashion District. The CRA has proposed a 2008/2009 budget to utilize those funds in the City Center Redevelopment Area. Significantly a total of \$750,000 is expressly earmarked for the Fashion District including:

- \$75,000 for a market analysis of ways to attract and support the businesses within the district.
- \$300,000 for Design for Development Guidelines to build on the work started by Notre Dame Students in 2007.
- \$375,000 for streetscape improvements to which will be used to lever other public funds to upgrade streets in the LA Fashion District.

We are supportive of the budget allocations and look forward to partnering with the CRA on a number of these projects starting July 1, 2008.

Alley Dedications and CRA/LA

The CRA/City of Los Angeles Planning Department is reviewing the requirement of street dedications for alley widening in the LA Fashion District. Council District 9 Staff is also playing an important role in this effort. These dedications not only eliminate potential developable floor space for owners but also create a less vibrant shopping and storefront environment for shoppers. (Santee Alley is the best example of such an alley) We have worked with CRA/Planning to identify alleys in the LA Fashion District where we would like to eliminate alley dedications for new developments. The map is included here as Attachment 4. We are planning a tour of the district for July.

Application Submitted to International Downtown Association – Downtown Achievement Awards Call for Entries

Each year the International Downtown Association (IDA) recognizes outstanding achievements in programming and services with special recognition awards. This year there were 16 categories. The BID submitted an application for the recycling program in the Sustainable Development category. Awards will be announced in July 2008. See the Public Maintenance category of this report for more information on the recycling program.

Proposed 2008 Third Quarter Administration/Advocacy Activities

- Continue BID Renewal Efforts

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Mayor's Voices of Fashion Buyer Attraction Committee

BID Executive Director Kent Smith is chairing this committee that met for the first time on April 9, 2008 to discuss ways to attract more buyers to the district.

LA Fashion District Donates Proceeds from Holiday Advertising Campaign to Para los Ninos

In May the BID and Urban Shopping Adventures donated the proceeds from Holiday Tour receipts to this non-profit family service organization that helps children succeed.



L to R: Bob Karcher, John Van den Akker,
Evelyn Ramirez-Schultz, Kent Smith

Recent Press

The LA Fashion District recycling program was featured in the **California Apparel News** on March 28, 2008 in “*Fashion District to Launch Recycling Program*” and in the **Los Angeles Times** on May 8, 2008 in “*Business Trash Has Downtown Boxed In.*”

“*Hot Prom Dresses at Great Prices*” aired on **Good Day LA** on May 2, 2008 in a 10-minute long segment featuring fashions and accessories purchased in the Fashion District. Good Day LA invited the LA Fashion District and Urban Shopping Adventures to coordinate and present the show to promote business in the area. This is an excellent example of free advertising garnered by the BID.

The Flower District attracted plenty of media attention with stories on Mother’s Day gift shopping. **CBS** aired stories on both television and website on May 7, 2008 and **Univision** aired a live remote segment on May 12, 2008 interviewing shoppers and merchants and interviewed shoppers.

Downtown Bloggers are emerging as source of information about what’s happening in the various downtown districts of Los Angeles including the Fashion District. Stories on shopping, restaurants, shopping, development and more can be found regularly on blogs such as Blogdowntown, A View from a Loft, and Angelic.

Fourth Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising

<u>Media Impressions</u>	2007	2008
April	42,797,428	17,439,774
May	31,598,024	30,278,149
June	30,015,306	28,030,183
Totals	104,410,758	75,748,106

<u>Website Hits</u>	2007	2008
April	2,545,145	2,818,517
May	2,390,888	2,783,654
June	2,199,640	2,646,658
Totals	7,135,673	8,248,829

<u>Unique Visitors to Website</u>	2007	2008
April	38,521	45,446
May	27,027	45,341
June	39,245	43,169
Totals	104,793	133,956

<u>Free Advertising Dollars Leveraged</u>	2007	2008
April	\$774,146	217,725
May	\$787,154	448,919
June	\$591,288	556,408
Totals	\$2,152,588	\$1,223,052

Proposed 2008 Third Quarter Image & Communications Activities

- Develop 2008 Holiday Advertising Campaign

SPECIAL PROJECTS

Santee Alley Area Streetscape Improvement Project

Upgraded drainage was the number one priority for streetscape improvements based on property owner responses from the "Streetscape Design Elements Survey" mailed out on March 11, 2008 (see 1st Quarter Report). Drainage infrastructure improvements are costly and will utilize nearly half of the funding.

An important requirement of the funding grant requires that enhancements to pedestrian corridors from public transportation sites to the project site area must be part of the overall design. Bureau of Engineering Landscape Architects recommended Decorative Pavement Stamping at 12 intersections with pedestrian lighting installations at two sites will meet the requirements.

A final Community Meeting is scheduled for July 30, 2008. All owners within the project site and surrounding streets will be invited to attend.

8th and San Pedro Streetscape Improvement Project

BID staff plans to discuss this project at an upcoming meeting with the Community Redevelopment Agency to determine available funding levels and design aspects.

9th and Main Median Streetscape Project

Trees were planted in the median on May 29th to everyone's delight. The light domes arrived a few weeks later to the delight of some and dislike of others. The colorful domes attracted plenty of blog and media attention. **The LA Times** featured a very positive story on the controversial design in a California Section front page story on June 25, 2008 in "*Where Whimsy and Practicality Meet.*" See Attachment 5.

Second Walk Audit Funded

The LA Fashion District and the County of Los Angeles Department of Health Services are working together to develop an action plan that will improve pedestrian safety in the LA Fashion District with a second Walk Audit. The Project Area is the DASH E Route on Los Angeles Street between Olympic Blvd and Pico Blvd.

Funding was provided by the California Center for Physical Activity, California Department of Health Services through a grant to the County of Los Angeles Department of Health, Injury and Violence Prevention Program.

The walk audit presentation is scheduled for August 19, 2008.

Proposed 2008 Third Quarter Special Projects Activities

- Continue to advance the Streetscape Improvement Projects at 8th and San Pedro Streets, and the Santee Alley area.
- Begin Uniform Parking Signage Project Application.
- Host 2nd Walk Audit of the Fashion District

ATTACHMENTS

1. Second Quarter Financials
2. Fire at Los Angeles Street and 11th Street
3. Recycling Program Launched in Fashion District
4. Map of Proposed Alley Dedications
5. *"Where Whimsy & Practicality Meet"* LA Times, June 25, 2008

LA Fashion District Business Improvement District

2008 Activity Reports

Third Quarter

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II Attachments

1. Third Quarter Financials
2. BID Renewal Map
3. Recent Publicity

2008 OPERATING BUDGET SUMMARY

The third quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2008 is projected at \$4.1million.

FINANCE

2008-2009 Assessment Tax Data Submission Deadline Missed

BID assessment information for 2008-2009 was not submitted to the City of Los Angeles by the June deadline date.

The LA Fashion District BID renewal process has not yet reached the goal of 50% petition approval and would allow the BID to continue to the Proposition 218 ballot and final Council approval to continue services in 2009. See the Administration and Advocacy section of this report for more information on the BID renewal.

Proposed 2008 Fourth Quarter Finance Activities

- Continue BID renewal efforts.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2008 Annual Budget	\$2,802,100	68% of the budget
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This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Third Quarter Contact Summary

A comparison of 2007 – 2008 statistical records shows a 67% increase in overall **Contacts** for the third quarter. Contacts are the number of times that Safe Team Officers responded to an event or incident.

In a comparison of 2007 – 2008 third quarter records we see a 14% increase in the **Disorderly Conduct** category. The Disorderly Conduct category includes Drinking in Public, Trespassing, Panhandling, and Drug Activity.

Drug Activity in this quarter decreased 18% over last year. However all other activities increased in the Disorderly Conduct category. Panhandling activity increased slightly by 2%. Drinking in Public saw a 19% increase over last year's record and Trespassing increased by 8%.

As a continued precaution against criminal activity, the BID increased **Location Checks for Crime Prevention** with over 14,000 individual location checks recorded during the third quarter of 2008. This represents a 60% increase over 2007 third quarter records. It is significant to note that records show a 43% decrease in Vandalism activity in the district over 2007 third quarter totals.

In the **Illegal Vending** category, illegal food sales and illegal pet sales were up 35% and 27% respectively over 2007 third quarter totals. Consistent enforcement in partnership with LAPD, Health Department, and Animal Services would help control the rampant illegal sale of pets, DVD's and food; however illegal vending continues to damage the legal economy in the district.

The **Eponic Data Collection** system continues to streamline record keeping practices in the field and has likely contributed to the decrease in nuisance behavior and vandalism in that Safe Team Staff spend more time in the district addressing problems and less time completing reports in the office.

Safe Team Update

A shooting occurred at a rave party that took place at 1158 S Wall Street, in a leased parking structure. BID Staff has spoken to LAPD Central Division regarding this shooting.

LAPD Newton portion in our district will be under command of Central Division possibly on January 1, 2009.

Vending Updates

Illegal vending in the district has gone from bad to worse since SLO McCain had shoulder surgery and SLO Martinez broke her finger. As a result, the district has not experienced consistent police vending service which has allowed the illegal vendors to feel real comfortable to the point of setting up umbrellas and tables. SLO McCain said he was informed by Central Division that they intended to start deploying 12 bike officers during the weekends to stop illegal vending - unfortunately the BID has only seen 4 officers in our district to date.

Sidewalk Merchandising

Merchandise displays on public sidewalks continue to be a problem for merchants who want to display goods outside their stores and for the city that must enforce sidewalk obstruction code violations. It should be noted that illegal vendors rely on outdoor and mobile displays because they do not have stores. However, these vendors are not cited. Normally fines in excess of \$1,000 are issued for each outdoor merchandising infraction. Legal merchants say this issue is one of many objections they have to the city policy toward outdoor merchandising.

BID Staff met with Greg Fischer of Council District 9 regarding sidewalk displays. Greg Fischer facilitated the meeting between LA Fashion District, LAPD, City Attorney, and PACE (Proactive Code Enforcement.) This meeting was convened in order to discuss the yellow line painted by LAPD SLO Randall McCain to dissuade outside vending but allow some outside merchandise promoting. Since PACE and BSS were unaware of the line's purpose, enforcement has continued. The meeting culminated in an agreement to address this issue comprehensively rather than case by case enforcement.

Proposed 2008 Fourth Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Continue to address illegal vending in the district.
- Prepare security and traffic plans for holiday shopping season.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Recycling Program Update

Randall advised the committee that as of last week, ETEC had picked up approximately 150 tons of recyclables in the district. ETEC is now doing all of the recycling for the California Mart Center. He also advised that Mark Chatoff is part of a pilot composting project with Crown Disposal who donated a large roll-off for green waste. Property owner, Scott Yamabe, of the Flower Mart will also be joining the composting process. Kent advised the committee that the recycling program largely remains in the south quadrant of the district although individual building owners can participate. ETEC and the Fashion District are looking to expand the recycling program further north into the district.

Kent also advised the committee that the city council has approved a 30% increase in trash dump fees in order to balance the budget – which will have a fiscal impact on our clean operation. Kent also

mentioned that the International Downtown Association is giving the LA Fashion District an award for our recycling program/efforts.

BID Launches Tree-Trimming Program Throughout the District

The LA Fashion District Business Improvement District (BID) contracted with a landscape company to trim trees in the district. The tree trimming began September 24, 2008 and focused on trimming more than five hundred Ficus, palms, pines and sycamores in the 94-block district. The work will be completed by the end of October.

The LA Fashion District BID's tree trimming program is designed to provide trees of lasting beauty for the community, provide necessary vehicle clearance, remove hazardous limbs, reduce possible loss and damage of the trees during storms, and discourage unauthorized tree trimming that destroys the shade umbrella provided by mature, well-maintained trees.

The work will be performed by skilled trimming crews certified by the National Arborists Association and the International Society of Arboriculture under City supervision and is part of the Fashion District's continuing program to provide the best possible service to its owners. The BID works only with tree trimmers that have been approved by the City of Los Angeles Urban Forestry Division.

Graffiti Removal

2008 third quarter graffiti removal records show a 19% decrease over 2007 third quarter records.

<u>Graffiti Removal Comparison</u>	<u>2007</u>	<u>2008</u>
July	346	417
August	435	362
September	559	302
Totals	1340	1081

Increasing the number of overnight **Location Checks** may be acting as a deterrent to graffiti tagging in the district.

Trash Tonnage

Third quarter trash tonnage totals taken to the landfills show an 8% decrease over 2007 records. This decline is likely attributable to the slow down in the economy combined with recycling activity.

<u>Trash Tonnage Comparison</u>	<u>2007</u>	<u>2008</u>
July	210	186
August	208	176
September	183	188
Totals	601	550

Proposed 2008 Fourth Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget

\$752,000

20% of the Overall Budget

This portion of the annual BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, South Santee Alley Overlay, and a modest BID Renewal Reserve.

ADMINISTRATION

Governance

Appointment of New Board Member

On September 25, 2008 Eli Taban was appointed to serve on the Board of Directors until the BID is renewed and a general election is held.

BID Renewal

The challenge brought by an opposition group has effectively brought the BID renewal to a standstill. Mediation efforts have been unsuccessful.

In early July the Fashion BID Board of Directors announced a new LA Fashion District Business Improvement District plan with reconfigured boundaries to be implemented in 2009.

The New Fashion District BID boundaries were redrawn to guarantee that BID services like the Clean and Safety Crews and other Programs will continue.

At a meeting of the Fashion District BID supporters on July 9, 2008, more than 75 BID members in attendance overwhelmingly supported the implementation of the proposed new Fashion District BID.

Further attempts to mediate the differences between the groups continued in good faith and were guided by Commissioner Cynthia Ruiz, President of the Board of Public Works. Unfortunately the mediation sessions did not result in combining the two BIDs. The Board of Directors and BID staff remain extremely grateful for Commissioner Ruiz's support and contribution of her valuable time to mend the rifts.

A new Management District Plan and Petitions for the Fashion District BID were mailed in August and 50% approval was reached within five weeks. With assistance from the City of Los Angeles the BID plans to be ready for the Proposition 218 ballot campaign by October.

At the same time efforts are underway to establish Fashion District Two. A map illustrating the two boundaries is included in this report as **Attachment 2**.

ADVOCACY

Fashion District Copies Beverly Hills

Beverly Hills has had them forever and now the LA Fashion District is on line to get four. Scramble intersections are back in style in Los Angeles to help ease traffic congestion. These intersection configurations basically allow pedestrians to cross diagonally in 12 different directions during one red light. Traffic lights will be synchronized to stop all traffic flow during pedestrian crossing time. Shoppers will be able to cross streets faster and safer. Vehicles will be able to make turns without waiting for pedestrians to cross the street.

Mayor Villaraigosa recently announced this pilot project to install nine scramble intersections in various locations throughout L.A in the next 7 months with four in the following locations in the Fashion District:

- 11th and Maple
- 12th and Maple
- 11th and Santee
- 12th and Santee

LA FASHION DISTRICT Awarded International Downtown Association (IDA) Award for Sustainable Development

The LA Fashion District received the IDA's 2008 Merit Award in Sustainable Development. The entry, entitled "**Greening the LA Fashion District in Style,**" was the only award given in its category. The award was presented at the IDA's 2008 Annual Conference in Calgary on Saturday September 13, 2008.

It all started when the Fashion District teamed up with the City of Los Angeles to launch a multiple focus recycling effort that is "greening" the entire area. The fashion industry, with its extensive use of cardboard and plastic packaging is a large producer of waste. The Flower Marts also produce mountains of waste with hundreds of businesses discarding tons of flower clippings daily. The BID recognized that much of the discarded material could be recycled rather than left to be hauled to landfills or to litter sidewalks and clog drains.

When we were approached by Etec, LLC, a recycling company, we jumped at the chance to create a customized collection service based on direct input from merchants. Etec, LLC dedicated two 20-ton collection trucks and a uniformed team of collectors to service a 10-block pilot project area six days a week. The program proved highly successful and was soon expanded to encompass a larger area and include collecting flower cuttings and green waste. Over 19 tons of material is now being recycled every week and those numbers continue to increase every month as the program expands to include the entire LA Fashion District. The recycling program is saving money with reduced collection and dump fees.

"We are thrilled to be honored with this award," said Kent Smith, Executive Director, LA Fashion District. "We are extremely proud of our recycling program and hope that its success can help inspire other BIDs and Downtowns around the country."

Second Walk Audit to Identify Pedestrian Improvements in LA Fashion District

The LA Fashion District hosted a second walk audit on Tuesday, August 19, 2008 to develop another action plan that will improve pedestrian safety in the LA Fashion District. The Project Area included the DASH E Route on Los Angeles Street between Olympic Blvd and Pico Blvd. With input from property owners, local businesses, and government agencies we will develop and plan strategies for a more walkable and pedestrian friendly environment.

Funding was provided by the California Center for Physical Activity, California Department of Health Services through a grant to the County of Los Angeles Department of Public Health, Injury and Violence Prevention Program.

During Part I of the WALK AUDIT presentation, participants learned about the elements that make a community safe and attractive for pedestrians. Part II started with a working lunch followed by an hour-long walk about of the project area. During Part III of the presentation, participants worked together to develop a list of priority issues that can be used by the Fashion District in future projects.

Three years ago the first walk audit conducted around the Santee Alley area provided invaluable input for the streetscape project funded by the Metropolitan Transit Authority which is now in final design.

Proposed 2008 Fourth Quarter Administration/Advocacy Activities

- Continue BID Renewal efforts.

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Radio Promotion Package Launched in July

The BID put together a radio promotion package for the LA Fashion District specifically designed to promote retail shopping in the District from Back-To-School through the Holiday season. With our very limited budget we decided to buy heavily on one station that would give us the biggest bang with our target audience. We chose KIIS-FM (102.7), which was subsequently listed in the *LA Times* as the #1 listened to station in the Los Angeles-Orange County market. KIIS-FM is a contemporary hit radio format and was named #1 radio station by the Los Angeles Times.

Our program is already on the air and will reach approximately 5 million listeners over the next 4 months during evenings, late night hours, and weekends. The spot itself features a young, enthusiastic female clothes shopper who finds, to her boyfriend's dismay, that she is spending a very large amount of her time shopping and having fun in the Fashion District. The radio spot can be heard on BID website at www.fashiondistrict.org

Website Drawing Millions of Visitors

In the first six months of 2008 www.fashiondistrict.org received over 16 million website hits. Third quarter website hits increased 16% over 2007 totals and Unique Visitors to the Website increased 12%.

Recent Publicity

"Is Santee Alley L.A.'s Most Fashion-Forward Shopping Strip?" Los Angeles Magazine July 2008

"Tying the Knot on a Shoestring Budget" Los Angeles Times August 2008

Both articles are included as **Attachment 3**.

Third Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising

<u>Media Impressions</u>	2007	2008
July	26,804,705	20,105,562
August	61,945,358	21,909,204
September	35,059,793	20,973,613
Totals	123,809,856	62,988,379

<u>Website Hits</u>	2007	2008
July	2,477,932	2,892,908
August	2,580,124	2,937,003
September	2,081,037	2,434,444
Totals	7,139,093	8,264,355

<u>Unique Visitors to Website</u>	2007	2008
July	42,326	45,987
August	42,386	47,023
September	34,661	40,655
Totals	119,373	133,685

<u>Free Advertising Dollars Leveraged</u>	2007	2008
July	\$454,070	\$455,301
August	\$760,454	\$726,337
September	\$637,138	\$262,598
Totals	\$1,851,662	\$1,444,236

Proposed 2008 Fourth Quarter Image & Communications Activities

- Develop Holiday Advertising Campaign

SPECIAL PROJECTS

Santee Alley Area Streetscape Improvement Project

A final Community Meeting was held on July 30, 2008. All owners within the project site and surrounding streets were invited. Attendees discussed the recommendations presented by the design team from the Bureau of Street Services (BSS). The Phase 1 streetscape project encompasses the area from Main Street eastward to Maple Avenue and will feature five distinct elements to improve pedestrian safety, encourage public transportation use, and enhance the look of the Santee Alley area.

Upgraded Drainage in the north and south sections of Santee Alley was the number one priority for streetscape improvements based on property owner responses from the "Streetscape Design Elements Survey" mailed out on March 11, 2008. BSS is proposing to construct a trench drain in Santee Alley lined by with color concrete bands and covered by metal grates with a grade to increase water flow toward the newly constructed storm drains and prevent standing water.

Decorative Pavement Stamping at 10 intersections and 2 mid block crossings will connect pedestrians to public transportation hubs and contribute a sense of continuity with design and color to the area. A sample of the pattern can be seen at the intersection of 9th Street and Los Angeles Street.

Pedestrian Lighting at 6 locations including two major transportation hubs at Main Street and Olympic Blvd., and Main Street and 12th Street will light the way to bus stops for walkers.

Wayfinding Signage updates at 12 locations will guide pedestrians to the Santee Alley area and bus stops.

Sidewalk Repair on the north side of Olympic Blvd. in a mid block segment between Los Angeles Street and Santee Street. This area is designated for repair because of severe sidewalk pavement damage caused by city owned trees. This area is also a main pedestrian path from a major bus stop on Main Street and Olympic Blvd. that is included in the scope of the improvement project to comply with federal funding criteria.

The Proposed Timetable for Construction was developed to conduct work during night time hours, and before and after the holiday shopping season to avoid disruption of business. The proposed timetable for construction is:

- | | |
|-----------------------------------|------------------------------|
| • September/October/November 2008 | Decorative Pavement Stamping |
| • January 2009 | Drainage Construction |

Uniform Parking Signage Project

U.S. Congresswoman Lucille Roybal-Allard earmarked \$98,000 in federal transportation funds to help the Fashion District launch a Uniform Parking Signage Program. On September 17, 2008 BID staff, Greg Fischer-CD 9, and several parking lot owners met to discuss how to create an effective project, design, and installation.

Proposed 2008 Fourth Quarter Special Projects Activities

- Continue to work with details for Uniform Parking Signage Project.

Attachments

1. Third Quarter Financials
2. BID Renewal Boundary Map
2. Recent Publicity

LA Fashion District Business Improvement District

2008 Activity Reports

Fourth Quarter

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2008 OPERATING BUDGET SUMMARY

The fourth quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2008 is projected at \$4.1million.

FINANCE

BID Renewal Budgets

At the meeting on December 17, 2008 the Board of Directors approved a 2009 budget for Fashion District and Fashion District Two. However they decided to suspend services to Fashion District Two until the 50% petition sufficiency goal is reached in that area.

Appointment of the 2008 Auditor

The Finance Committee recommended retaining Stanislawski and Harrison to conduct the 2008 audit and financial statement based on positive performance over the last four years. The Board of Directors approved this recommendation at the December 11, 2008 meeting.

Proposed 2009 First Quarter Finance Activities

- Continue BID renewal efforts.
- Prepare for annual audit.

PUBLIC SPACE MANAGEMENT ACTIVITIES

2008 Annual Budget

\$2,802,100

68% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

PUBLIC SPACE SAFETY PROGRAMS

Fourth Quarter Contact Summary

A comparison of 2007 – 2008 statistical records shows a 7% increase in overall **Contacts** for the fourth quarter. Contacts are the number of times that Safe Team Officers responded to an event or incident.

In a comparison of 2007 – 2008 fourth quarter records we see a 1% increase in the **Disorderly Conduct** category. The Disorderly Conduct category includes Drinking in Public, Trespassing, Panhandling, and Drug Activity.

Drug Activity in this quarter decreased 19% over last year, **Panhandling** activity decreased 31% and **Trespassing** decreased 36%. However the **Drinking in Public** category saw a 55% increase over last year's numbers.

As a proactive precaution against criminal activity, the BID continues conducting **Location Checks for Crime Prevention** with over 13,398 individual location checks recorded during the fourth quarter of 2008. It is significant to note that records show a 60% decrease in **Vandalism** activity and a 75% decrease in **Robbery** in the district over 2007 fourth quarter totals.

In the **Illegal Vending** category, illegal food vending were up 18% in the district during the fourth quarter. Consistent enforcement in partnership with LAPD, Health Department, and Animal Services limited the rampant illegal sale of pets, DVD's and food; however illegal vending continues to damage the legal economy in the district.

The **Eponic Data Collection** system continues to streamline record keeping practices in the field and has likely contributed to the decrease in nuisance behavior and vandalism in that Safe Team Staff spend more time in the district addressing problems and less time completing reports in the office.

Safe Team Update

Assault

LAPD arrested two suspects who we believe assaulted two of our Safe Team officers. These illegal DVD vendors attacked our officers when they were told to move their merchandise which was blocking a store entrance. Both Safe Team officers sustained injuries that required immediate medical attention at California Hospital Medical Center's Emergency Room. One officer required extensive follow up care for injuries inflicted by the suspects.

Illegal Vending and Sidewalk Merchandising

All property owners received an invitation to a Town Hall Meeting on December 18, 2008 to discuss counterfeit merchandise enforcement and outdoor merchandising with Council District 9 Chief of Staff Kathy Godfrey. The purpose of the meeting was to allow owners to voice their opinion on enforcement practices of the Los Angeles Police Department. Several recent police raids resulted in the confiscation of \$2.7 million in counterfeit goods and led to 28 arrests. Several property owners voiced objection to the LAPD's assumption that counterfeit goods are easily recognizable and that property owners should be held responsible for identifying such items. A follow up meeting with the LAPD is planned. (see **Attachment 2**)

Service Delivery to Reconfigured BID

The Operations Committee and BID staff developed strategies and implementation schedule to re-deploy service delivery to the new boundaries of the Fashion District.

Fourteen Clean and Safe Team members lost their jobs because Fashion District Two BID was 3.4% short of the 50% petition sufficiency requirement by December 17, 2008 when the Fashion District BID was renewed by City Council.

All services will be suspended in Fashion District Two BID boundaries starting January 1, 2009. (see **Attachment 3**)

Proposed 2009 First Quarter Public Safety Activities

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Continue to address illegal vending in the district.
- Monitor re-deployed services for efficiency.

PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

Service to Reconfigured BID Boundaries

At their meeting on November 17, 2008 the Operations Committee discussed various strategies for deploying services in Fashion District and suspending services to Fashion District Two until the BID is renewed. As a result of this situation 7 Clean Team Members will lose their jobs.

Sidewalk Cleaning

Since the cost to repair the ATLV machine (vacuum cleaner) outweighs its usefulness, the machine will be phased out. Instead the Clean Team will rely more on evening maintenance strictly using the pressure washer. The Graffiti team and another designated team will use the pressure washer to clean the sidewalks. Other automated sidewalk cleaning equipment will still be operating but because of the cost of maintaining these machines, they will be limited in their operation.

New pressure washing technologies are now available with more economical systems that reclaim and recycle the water. These new systems present more effective sidewalk cleaning especially in the high traffic areas of the district.

Recycling Program Suspended

ETEC recycling company reported that the cost of cardboard has dropped precipitously compared to a month ago when it was \$130 per ton. They also reported that plastic prices have suffered a similar fate as commodity prices have plunged. On December 12, 2008 ETEC suspended their recycling efforts in the district. Since fewer people are picking up the cardboard, the BID has noticed a large increase of cardboard/plastic that is being discarded in the district by the merchants. We are working to address this problem.

Graffiti Removal

2008 fourth quarter graffiti removal records show a 37% decrease over 2007 fourth quarter records.

<u>Graffiti Removal Comparison</u>	<u>2007</u>	<u>2008</u>
October	534	225
November	412	261
December	392	354
Totals	1338	840

Increasing the number of overnight **Location Checks** may be acting as a deterrent to graffiti tagging in the district.

Trash Tonnage

Fourth quarter trash tonnage totals taken to the landfills show an 14% decrease over 2007 records. This decline is likely attributable to the slow down in the economy combined with recycling activity.

<u>Trash Tonnage Comparison</u>	<u>2007</u>	<u>2008</u>
October	206	187
November	215	178
December	225	193
Totals	646	558

Proposed 2009 First Quarter Public Maintenance Activities

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY

Annual Budget

\$752,000

20% of the Overall Budget

This portion of the annual BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, South Santee Alley Overlay, and a modest BID Renewal Reserve.

ADMINISTRATION

Governance

Election of New Board Members

Typically election ballots are sent to property owners in November. However, because the BID renewal process continued through the entire year the boundaries and property owners were not confirmed within the normal election process timeline. At their meeting on November 13, 2008 the Board of Directors agreed to postpone the election until 2009 and all current Board Members will continue to serve until the election is held.

When boundaries are confirmed and we proceed as one BID or two, the election process will start immediately with an invitation to all property owners to become candidates for election.

We thank all current Board Members for their dedication and willingness to serve through this interim period.

BID Renewal

The LA Fashion District Business Improvement District (BID) cleared the first hurdle towards being renewed. Renewal efforts for the BID were delayed and boundaries reconfigured this summer when a group of property owners opposed renewing clean & safe services. (see **Attachment 3.**)

The Fashion District BID was overwhelmingly renewed for another 5 year term (2009 – 2013) by 88.7% of the property owners and by City Council on December 17, 2008. Clean & safe service programs will continue uninterrupted for the 10 million square foot area in 82 blocks of downtown Los Angeles.

The Fashion District Two BID which has recently gone out for petition has been signed by property owners representing 46.6% of the total assessment. Another 3.4% approval is required to move the renewal process to the Prop. 218 vote. Because the 50% petition approval goal was not reached, clean and services will be suspended for at least one month in the 16 block area starting January 1, 2009.

“We are very pleased that we were able to get 80% of the BID renewed this week,” said Kent Smith, Executive Director, LA Fashion District said in a press release. “We are grateful that the property owners stood up and expressed their overwhelming support. Happily they will have no interruption in service in the LA Fashion District BID from this year to next. And we are confident that Fashion District Two’s renewal will follow shortly.”

“This has been a challenging renewal process,” said BID board member and property owner, Barry Gold. “There are many different needs and objectives that need to be met by this organization. We

are happy that property owners are now banding together in this very difficult time to ensure the area's collective success."

The BID Board of Directors and staff thank Cynthia Ruiz, President, Board of Public Works, Councilmember Jan Perry, Councilmember Jose Huizar, staffs of Council District 9 and 14, and the Office of the City Clerk for their assistance and support.

ADVOCACY

Holiday Parking Plan

The BID worked with Council District 9, the Department of Transportation and Parking Enforcement to develop a holiday parking plan that will address vehicle and pedestrian traffic through the busy holiday season. Maple Avenue will be a no parking zone from 3:00 pm to 7:00 pm – Monday through Saturday until December 24.

BIDs Successfully Oppose Suspension of City-Issued Trash Can Liners

BID Director Kent Smith and Estella Lopez, director of the Central City East Association, successfully testified in favor of continuing trash can liner allocations at the City of Los Angeles Budget Committee meeting. This represents a \$50,000 savings in the BID budget. Although the City is seeking budget cuts, allocating trash can liners to BIDs ultimately saves money that would be spent on city services to pick up illegal dumping.

Proposal to Install Red Curb Zones

Removing parking spaces in the Santee Alley area was one of the preventive measures proposed by LAPD to help eliminate hiding places for illegal vendors. Police can't see vendors who are hiding behind parked cars to sell goods or cause trouble. Red curbs were proposed for Santee Street and Maple Avenue between Olympic and Pico.

Board Members and property owners discussed at length the pros and cons of red curb installations. Retaining parking spaces in this highly trafficked shopping area will encourage shoppers to stay and shop. Removing parking spaces will eliminate hot dog carts, discourage illegal vendors who compete with legal businesses and cause criminal activity.

Council District 9 staff subsequently recommended abandoning the project based on input from owners and Board Members.

Film LA Partnership

The film industry is good business for Los Angeles however blocked streets and no parking zones are bad business for merchants in the Fashion District. The BID and Film LA formed a new partnership to improve communication between the two interests.

Film LA is a private, non-profit organization that coordinates and processes permits for on-location motion picture, television and commercial production under contract to the City of Los Angeles. Neighborhood notification is vital to the permit coordination process to ensure that community stakeholders are well informed about upcoming filming before film trucks roll into their neighborhood.

Film LA expanded their eNotification program to the Fashion District. eNotification supplements their paper Notices of Filming that are distributed door to door to announce upcoming film

productions that may impact the Fashion District. Property owners, businesses and stakeholders may register for this free service through the website at <http://filmla.com/enotifications.php>

IDA to meet with Obama Transition Team

Fashion District Board Members and BIDs across the country were asked to contribute comments to the International Downtown Association (IDA) to help them prepare a list of priorities for discussion at a special meeting with the President-Elect's Transition Team. IDA met with the Department of the Treasury transition team who are working on the details of the economic stimulus package that President-Elect Obama will introduce in early 2009. This represents an important opportunity to help them understand what would be most helpful for downtown areas struggling to get through these challenging economic times. We are very happy they are thinking about America's cities and are taking the time to consult with us before they finalize the economic stimulus package.

Proposed 2008 Fourth Quarter Administration/Advocacy Activities

- Continue to advocate for the Fashion District BID.
- Continue BID Renewal efforts.

IMAGE AND COMMUNICATIONS

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

Parking Lot Inventory

A district wide parking lot inventory was conducted and 97 parking lots were counted. The data was used to update the Fashion District website, as part of the holiday advertising campaign, and to develop the grant application funding request for the Uniform Parking Signage Program.

2008 Holiday Retail Advertising Campaign

Small Prices – Big Fun – Convenient Parking was the slogan for the 2008 Fashion District Holiday Retail Advertising Campaign. Promotion events included:

- Fashion District website advertising
- Radio advertising from July to December on KIIS-FM – the #1 listened to station in LA-OC market according to the LA Times Rating System
- Website update to show nearly 100 convenient parking lots in the district
- Print and online advertising in Downtown News and Metromix
- Free Fashion District shopping bags for merchants
- Fashion District Elves were in the district handing out thousands of candy canes Saturdays and Sundays starting December 6.
- A newsletter was mailed to all property owners and distributed to merchants to announce the holiday retail advertising plan.

BIDLINES Winter Newsletter

This edition of the newsletter featured the holiday retail advertising campaign. **Attachment 4.**

Recent Publicity

"Fashion District BID on Its Way to Approval" California Apparel News, October 10-16, 2008

"Tiara Café", Westways Magazine, October 2008

"Fashion District Fixture Folds Up After 58 Years", Los Angeles Business Journal, October 6, 2008

Articles are included as **Attachment 5.**

Fourth Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising

<u>Media Impressions</u>	2007	2008
October	36,021,004	24,932,954
November	50,759,985	29,289,520
December	31,762,920	43,973,986
Totals	118,543,909	98,196,460

<u>Website Hits</u>	2007	2008
October	2,373,160	2,620,387
November	2,337,541	2,298,062
December	2,077,131	2,182,330
Totals	6,787,832	7,100,779

<u>Unique Visitors to Website</u>	2007	2008
October	40,190	41,160
November	29,768	38,004
December	22,273	34,329
Totals	92,231	113,493

<u>Free Advertising Dollars Leveraged</u>	2007	2008
October	\$999,522	\$271,020
November	\$674,199	\$259,812
December	\$330,797	\$478,957
Totals	\$2,004,518	\$1,009,789

Proposed 2009 First Quarter Image & Communications Activities

- Publish a newsletter.
- Prepare for the Property Owner Annual Meeting scheduled for March 26, 2009.

SPECIAL PROJECTS

Parking Pay Stations and Parking Rate Increases

The City introduced pay stations to replace all the two hour parking meters in the LA Fashion District in late October. The pay stations will allow shoppers to pay with credit cards and add parking time from their cell phone. The new technology has been well received by owners, businesses and shoppers. A map of the locations is included as **Attachment 6**.

City Council has approved new City-wide parking rates which double the rates of all on street parking spaces in the City of Los Angeles. These changes were initiated on November 1, 2008 in the LA Fashion District. City Council also authorized that parking meter times be extended until 8pm in commercial areas like the Fashion District. Extensions until Midnight will take place in entertainment areas like Hollywood.

City Council has also approved charging for on street parking in commercial areas on Sunday. With the assistance of Council District 9 LADOT agreed to delay Sunday on street parking fees until January 1, 2009 to help merchants through the holiday season.

Uniform Parking Signage Project

U.S. Congresswoman Lucille Roybal-Allard earmarked \$98,000 in federal transportation funds to help the Fashion District launch a Uniform Parking Signage Program. On September 17, 2008 BID staff, Greg Fischer-CD 9, and several parking lot owners met to discuss how to create an effective project, design, and installation. Lot owners did not indicate interest in amending their individual signage.

The BID conducted an extensive inventory search of parking lots and found 97 lots at street and upper levels. Based on this data design plans were amended and a final funding application was submitted. We hope to receive funding by April 2009 at which time final design will start with production and installation to be completed by December 2009.

12th & Maple Storm Drain Repair

Additional repairs are required on the newly completed storm drain. Contractors will conduct remedial work at night to avoid disruption to businesses.

Proposed 2008 Fourth Quarter Special Projects Activities

- Begin construction on Streetscape Phase 1 surrounding the Santee Maple Alley area.
- Develop application for the upcoming MTA Call for Projects to seek funding for Streetscape Phase 3 that will extend the pedestrian improvement corridor toward the Blue Line.

Attachments

- 1 Fourth Quarter Financials
- 2 "Police raids seize counterfeit goods"
Los Angeles Times: December 24, 2008
- 3 Boundary Map of Fashion District BID
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